



INFLUENCE OF PROFITABILITY, EPS ,ROE,PBV, NPM ON STOCK PRICES OF MANUFACTURING COMPANIES IN IDX

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Abstract

This research aims to evaluate the impact on the stock prices of production firms, Earning per share, Equity return, Price Book Value, and Net Margin. Earnings per share, returns on equity, pricing book valuation, and net profit margin are the phenomena of growth in profitability and not a further increase in stock prices of manufacturers on the Indonesian stock bond. The methodology of sampling is intended for sampling. The samples collected were 198 analytical units. The results of the study demonstrate that profitability and net profit per share in industrial firms on the Indonesian Stock Börse for the period 2017 to 2019 do not have any part influence on Earning Per Share. Earning per share in the manufacturing firms of Indonesia affects the return on equity and the price of the book value in part. For the years 2017-2019, Indonesia Stock Exchange. Return on equity, price-book value and net profit margins concurrently impact stock price in the Indonesian Stock Exchange manufacturing businesses for the year 2017-19.

Keywords: Profitability, Earning Per Share, Return On Equity, Price Book Value, Net Profit Margin, Share Price

INTRODUCTION

Current manufacturing firms compete to improve themselves through developing the manufacturing sector in Indonesia. Manufacturing firms began a new policy to obtain maximum profits amid intense competition. Investors will learn the company's financials before making their choice. Financial statement figures influence investor trust in financial markets. Investors are eager to put more money into the most efficient capital markets. The first consideration for any investor is the stock price [1]. The stock price is a significant element to investors

in investing, since it indicates the issuer's success. When the performance of the issuer improves, the value of the shares increases [2].

The net profit of PT Indofood CBP Sukses Makmur Tbk increased by Rp. 1,115,608 in 2018. If profits rise, the stock price goes up. When profitability declines, the stock price drops [3].

Earnings per Share PT. Gudang Garam Tbk in 2019 amounted to Rp. 5,655. Earnings in 2018 amounted to Rp. 4,050, however the share price fell by Rp. 30,625, or 37% from Rp. 83,625. If EPS goes up,





the share price will rise. When EPS drops, the share price decreases [4]. Return on equity at Gudang Garam Tbk in 2019 was Rp. 50,930,758, which showed an increase of Rp. 5,797,473 or 13% over the previous year's Rp. 50,930,758. as R.O.E. rises, the stock price will climb. When ROE falls, the stock price declines [5].

PT Ultra Jaya Milk Industry Tbk's equity in 2018 had a rise of Rp. 577,245 or 14% of Rp. 4,774,956. Price book value grows, and the stock price rises. When the Price Book Value drops, the stock price goes down[6]. Net profit margin for PT Ultra Jaya Milk Industry Tbk sales in 2018 was Rp. 5,472,882 and that year's net profit margin amounted to Rp. 593,323 or 12% more than the margin in 2017[7]. In her study entitled "The Effect of Earning Per Share (EPS), Book Value Per Share (BVS), Return On Equity (ROE), and Debt To Equity Ratio (DER) on Share Prices of BUMN Companies Listed on the IDX," Researcher Aprilia (2014) found that the EPS, BVS, and ROE variables influence share prices, while the DER variable does not[8].

METHODS

This study utilizes a causal approach with the goal of understanding how the impact of the independent factors, namely Profitability, EPS, ROE, Book Value, and Net Profit Margin, on the dependent variable, stock prices. For this study's purposes, secondary data collected from financial statements of manufacturing firms listed on the Indonesia Stock Exchange between 2017 and 2019 was

utilized. The study's population includes all manufacturing businesses registered on the Indonesia Stock Exchange between 2017 and 2019, including 177 firms[9].

The researcher's sampling method in this study is purposive sampling technique. Purposeful Sampling, namely the selection of samples using the researcher-established criterion. Researchers utilize these criteria in sampling[10]:

Number	Criteria	Total Company
	The population from 2017-2019	177
1	Manufacturing companies listed on the Indonesia Stock Exchange for the period 2017 – 2019.	(33)
2	Manufacturing companies do not use Rupiah from 2017-2019	(30)
3	Manufacturing companies earn profits during the period 2017 – 2019.	(48)
	The samples used	66
	Number of Observations (66 x 3)	198

Table 1. Criteria for sampling research

RESULT

Descriptive statistics are statistics used to analyze data by describing the data that has been collected and making valid conclusions[11].

	Descriptive Statistics				
	N	Minimum	Maximum	Mean	Std. Deviation
Profitabilitas	198	,00	,92	,0875	,10303
EPS	198	,01	2596,71	118,1058	342,74742
ROE	198	,00	2,24	,1556	,25318
PBV	198	,58	2950,22	27,6994	213,30730
NPM	198	,00	1,90	,0874	,14657
Harga Saham	198	50,00	83800,00	4397,0657	11158,93906
Valid N (listwise)	198				

Figure 1. Descriptive Statistics





shows the minimum value of profitability is 0.00, the maximum value of profitability is 0.92. The average of profitability is 0.0875 and the standard deviation of profitability is 0.10303. The minimum EPS value is 0.01, the maximum EPS value is 2596.71. The average of EPS is 118.1058 and the standard deviation of EPS is 342.74742[12].

The minimum ROE value is 0.00, the maximum ROE value is 2.24. The average ROE is 0.1556 and the standard deviation of the ROE is 0.25318. The minimum PBV value is 0.58, the maximum PBV value is 2950.22. The average PBV is 27.6994 and the standard deviation of the PBV is 213.30730[13].

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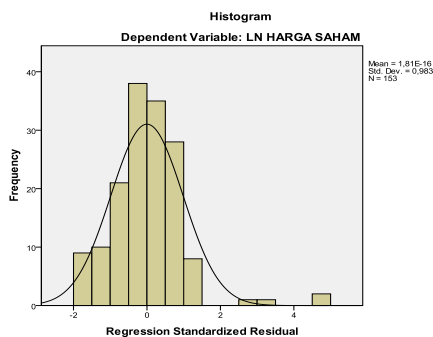


Figure 2. Histogram Normality Test Graph (After Transformation)

with a sample of $n = 153$ shows that the histogram diagram shows high blocks following a curved line pattern forming mounds so that the histogram diagram shows a normal distribution of data[14].

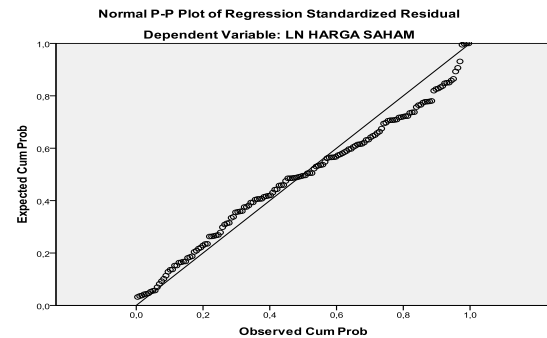


Figure 3. P-Plot Normality Test Graph (After Transformation)

with a sample of $n = 153$ shows that the dots spread around the diagonal line and the distribution is close to the diagonal line so it can be concluded that the distribution is normal[15].

One-Sample Kolmogorov-Smirnov Test		Unstandardized Residual
N		153
Normal Parameters ^{a, b}	Mean	,0000000
	Std. Deviation	,48236511
Most Extreme Differences	Absolute	,105
	Positive	,105
	Negative	-,059
Kolmogorov-Smirnov Z		1,293
Asymp. Sig. (2-tailed)		,071

- a. Test distribution is Normal.
- b. Calculated from data.

Figure 4. Normality Test Results After Transformation

The transformation of the results of the normalization test with a sample of $n = 153$ stating that the significant value is





0.071. This means that it is normally distributed, because the significance is > 0.05 statistically.

Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	Profitabilitas	,187	5,339
	LN EPS	,664	1,506
	ROE	,217	4,602
	PBV	,810	1,234
	NPM	,385	2,599

a. Dependent Variable: LN HARGA SAHAM

Figure 5. Multicollinearity Test Results

With sample $n = 153$, states that the results of this multicollinearity test show that the Tolerance value or VIF value for profitability is $0.187 > 0.1$ or $5.339 < 10$. The Tolerance value or VIF value for LN_EPS is $0.664 > 0.1$ or $1.506 < 10$. Tolerance value or VIF value for ROE is $0.217 > 0.1$ or $4.602 < 10$. Tolerance value or VIF value for PBV is $0.810 > 0.1$ or $1.234 < 10$. Tolerance value or VIF value for NPM is $0.385 > 0.1$ or $2.599 < 10$. The conclusion from the multicollinearity test is that all independent variables do not occur in the multicollinearity test.

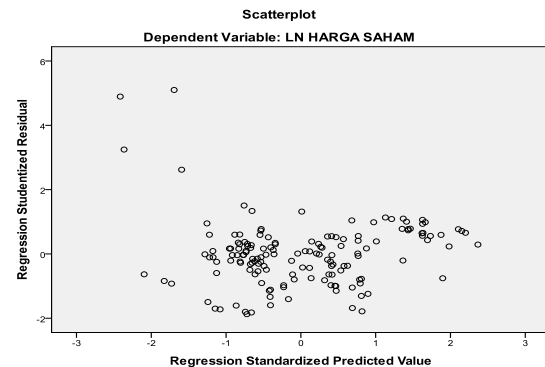


Figure 6. Heteroscedasticity Test Graph

with a sample of $n = 153$ it shows that the scatterplot graph shows that the points spread randomly to form a certain pattern and are spread both above and below the number 0 on the Y axis.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,592	,070		8,469	,000
	Profitabilitas	-,806	1,653	-,086	-,488	,627
	LN EPS	-,039	,022	-,163	-,1751	,082
	ROE	-,531	1,068	-,081	-,497	,620
	PBV	,009	,007	,108	1,278	,203
	NPM	-,1434	1,181	-,149	-,1214	,227

a. Dependent Variable: ABS_RES

Figure 7. Results of the Glejser Method After Transformation

The value of the Glacier profitability test with a significant value of 0.627 may be shown in Table 8. LN_EPS glacier test value having a significant result at 0.082. The Glacier ROE test result has a substantial value of 0.620. an additional important result obtained at 0.203 a substantial value at 0.203 The regression model may be used in this research since the significance of profitability, LN_EPS,





ROE, PBV, and NPM < 0.05 has been verified statistically.

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4,231	,105		40,380	,000
	Profitabilitas	-3,450	2,480	-,097	-1,391	,166
	LN EPS	,865	,033	,966	26,183	,000
	ROE	-9,486	1,603	-,382	-5,918	,000
	PBV	,180	,010	,599	17,923	,000
	NPM	3,083	1,772	,084	1,740	,084

a. Dependent Variable: LN HARGA SAHAM

Figure 8. Results of Multiple Linear Regression Analysis

Based on the data above, a regression equation for profitability, Earning Per Share, Return On Equity, Price Book Value and Net Profit Margin on stock prices in manufacturing companies on the Indonesia Stock Exchange for the 2017-2019 period is:

$$Y = 4,231 - 3,450 \text{ profitability} + 0,865 \text{ EPS} - 9,486 \text{ ROE} + 0,180 \text{ PBV} + 3,083 \text{ NPM}$$

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,931 ^a	,867	,863	,49050

a. Predictors: (Constant), NPM, PBV, LN EPS, ROE, Profitabilitas

Figure 9. Results of the Coefficient of Hypothesis Determination

Value of Fcount is 191.896 with a significance level of 0.000. While the 95% confidence Ftable is 2.28, Fcount > Ftable or 191.896 > 2.28 with a value of 0.000 < 0.05. In manufacturing firms on the Indonesia Stock Exchange, profitability, EPS, ROE, PBV, and net profit margin influence stock prices from 2017 to 2019.

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	230,842	5	46,168	191,896	,000 ^a
	Residual	35,367	147	,241		
	Total	266,208	152			

a. Predictors: (Constant), NPM, PBV, LN EPS, ROE, Profitabilitas

b. Dependent Variable: LN HARGA SAHAM

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4,231	,105		40,380	,000
	Profitabilitas	-3,450	2,480	-,097	-1,391	,166
	LN EPS	,865	,033	,966	26,183	,000
	ROE	-9,486	1,603	-,382	-5,918	,000
	PBV	,180	,010	,599	17,923	,000
	NPM	3,083	1,772	,084	1,740	,084

a. Dependent Variable: LN HARGA SAHAM

Figure 10. Results of Simultaneous Hypothesis Testing and Partial Hypothesis Testing

The profitability variable has a significant value of 0.166 > 0.05 and the results of tcount < ttable (-1.391 < 1.97559) then the profitability variable partially has no negative and significant effect on stock prices in manufacturing companies listed on the Indonesia Stock Exchange for the 2017-2019 period.

The EPS variable has a significant value of 0.000 < 0.05 and the results tcount > ttable (26.183 > 1.97559), the EPS variable partially has a positive and significant effect on stock prices in manufacturing companies listed on the Indonesia Stock Exchange for the 2017-2019 period.

The ROE variable has a significant value of 0.000 < 0.05 and the results of tcount > ttable (-5.918 > 1.97559) then the ROE variable partially has a negative and significant effect on stock prices in manufacturing companies listed on the Indonesia Stock Exchange for the 2017-2019 period.





The PBV variable has a significant value of $0.000 < 0.05$ and the results $t_{count} > t_{table}$ ($17.923 > 1.97559$) then the PBV variable partially has a positive and significant effect on stock prices in manufacturing companies listed on the Indonesia Stock Exchange for the 2017-2019 period.

The NPM variable has a significant value of $0.084 > 0.05$ and the results of $t_{count} < t_{table}$ ($1.740 < 1.97559$) then the NPM variable partially does not have a positive and significant effect on stock prices in manufacturing companies listed on the Indonesia Stock Exchange for the 2017-2019 period.

The results of the research researchers state that the profitability variable partially has no negative and significant effect on stock prices in manufacturing companies listed on the Indonesia Stock Exchange for the period 2017 - 2019. This can be seen from the profitability variable has a significant value of $0.166 > 0.05$ and the results $t_{count} < t_{table}$ ($-1.391 < 1.97559$).

The results of the research researchers state that the EPS variable partially has a positive and significant effect on stock prices in manufacturing companies listed on the Indonesia Stock Exchange for the 2017-2019 period. This can be seen from the EPS variable has a significant value of $0.000 < 0.05$ and the results of $t_{count} > t_{table}$ ($26.183 > 1.97559$).

The conclusion of this researcher states that EPS partially has a positive and significant effect on stock prices in manufacturing companies listed on the Indonesia Stock Exchange for the 2017-2019 period. This can be seen from the EPS variable has a significant value of $0.000 < 0.05$ and the results of $t_{count} > t_{table}$ ($26.183 > 1.97559$). This study asserts that ROE has a negative and substantial impact on stock prices in manufacturing firms listed on the Indonesia Stock Exchange over the 2017-2019 timeframe. The Return on Equity value is about 0.000 with a result of t_{count} over t_{table} , or, 5.918 over 1.97559. Research indicates that PBV has a favorable and substantial impact on stock prices in manufacturing firms listed on the Indonesia Stock Exchange during the 2017-2019 timeframe. The PBV variable has a value of $0.000 < 0.05$, which demonstrates the outcomes of $t_{count} > t_{table}$ ($17.923 > 1.97559$). Researchers found that NPM has a mixed impact on the stock prices of manufacturing firms listed on the Indonesia Stock Exchange during the 2017-2019 timeframe. As shown from the NPM variable has a significant value of 0.084, the results of t_{count} are ($1.740 < 1.97559$). Earnings per share partly influence stock prices for manufacturing firms on the Indonesia Stock Exchange from 2017-2019. Since t_{count} is more than t_{table} , we may conclude that the zero-sided significance (P-value) is significant.





CONCLUTION

Profitability does not influence stock prices in manufacturing firms on the Indonesia Stock Exchange over the 2017-2019 timeframe. Because of this, we may say that $0.166 > 0.05$. The findings are $t_{count}(-1.391) < t_{table}(1.97559)$. Earnings per share partly influence stock prices for manufacturing firms on the Indonesia Stock Exchange from 2017-2019. Since t_{count} is more than t_{table} , we may conclude that the zero-sided significance (P-value) is significant. Return on equity (ROE) partly influences stock prices on the Indonesia Stock Exchange during the 2017-2019 timeframe. The above statements are supported by $0.000 < 0.05$ and $t_{count} > t_{table}$ ($4.712 > -5.918$). In the manufacturing firms on the Indonesia Stock Exchange, stocks are less affected by the Price Book Value. $T_{count} > t_{table}$ shows that this is apparent. Net Profit Margin had little impact on stock prices in manufacturing firms on the Indonesia Stock Exchange during the 2017-2019 timeframe. From these findings, we can observe that (the results of) $t_{count} < t_{table}$ ($1.740 < 1.97559$). Profitability, EPS, ROE, Price Book Value, and Net Profit Margin all influence stock prices of manufacturing firms on the Indonesia Stock Exchange for the 2017-2019 timeframe. Thus, $F_{count} = F_{table} + 191.896$ and $191.896 = 2.28$

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